



# HIV/AIDS and employment

## HIV/AIDS is a major threat to achieving decent work for all

The impact of HIV/AIDS ultimately threatens the fulfilment of the goal of decent work for all, because the loss of workers also leads to a loss of jobs. HIV/AIDS has already caused substantial workforce losses and will, unless counteracted, continue to reduce labour force growth in many developing countries, especially in Africa. Fewer workers means more families left without providers and more obstacles to poverty reduction and sustainable development. Action to limit workforce losses, their economic and social consequences, and the jobs thereby lost is urgently needed. Such action entails strengthening prevention, and providing care and treatment in the workplace.

The impact of HIV/AIDS on the workforce harms both enterprises and households, because it reduces demand for goods and services, and discourages investment in the economy. HIV/AIDS also causes long-term damage to the pool of human resources, because workers' deaths diminish the sum total of skills and organizational capacity in a community.

Fear and misunderstanding of HIV/AIDS often leads to discrimination; if it is not countered, workers living with HIV/AIDS are short-changed on income, job security and social protection, their rights by-passed.

## Labour force losses cumulate: 28 million by 2005

The global workforce has lost 28 million economically active people to date due to HIV/AIDS, and this kind of damage is expected to continue if action isn't taken: it will lose 48 million workers by 2010 and 74 million by 2015. Although the great majority of losses are adult deaths, some losses are workers missing in the next generation because the adults died so young that they left fewer children than in a normal lifespan.

**Projected cumulative labour force losses and yearly death toll of working-age persons, world and Africa, 1995-2015 (rounded)**

YEAR	1995		2000		2005		2010		2015	
	World	Africa	World	Africa	World	Africa	World	Africa	World	Africa
Labour force losses (millions)	4.5	2.8	12.8	8.8	27.6	19.9	48.2	34.0	74.2	49.6
Labour force losses as proportion of total labour force (per cent)	0.2	1.2	0.6	3.2	1.3	6.3	2.2	9.4	3.2	12.0
Yearly death toll of working-age people (millions)	0.7	0.5	not available		3.2	2.5	not available		5.6	3.4

Two-thirds of the labour losses will be in Africa. Five African countries will lose over 20 per cent of their workforce by 2010, and four countries will lose over 30 per cent by 2015.

*There is mounting evidence of the effects of HIV on employment, as well as evidence that the decent work agenda can contribute effective responses to the epidemic.*

The overall loss to the labour force will be made worse by the inability of millions of people to work when in the later stages of AIDS. At present 2 million workers become unable to work every year as their illness worsens. The number of persons too ill to work will double by 2015. The losses have serious repercussions. Other household members have to shoulder the economic and social burden of care for workers who can no longer work. Other persons have to take over the economic burden of support for the family when the provider of the household dies. This falls often to persons with fewer skills as well as to the children.

The quality as well as the quantity of the labour force is being diminished by HIV/AIDS. Adults as parents, mentors, co-workers, trainers and teachers pass on knowledge and skills to the younger generation, and this rich heritage in human capacity is lost when adults die and the chain of transmission from generation to generation is broken.

## National economic growth slows

The losses result in manifest effects on national economies. In over 40 countries with HIV epidemics an average 0.2 per cent of the annual rate of growth of GDP was lost between 1992 and 2002, equivalent to an annual average of \$25 billion. Research confirms that the higher the prevalence of HIV in working-age people, the more GDP growth is held back<sup>1</sup>. Slowed GDP growth means less job creation, less employment and slowed income growth.

## The impact of HIV/AIDS on production and jobs

### Enterprises

Employees who are HIV-positive are as productive as other workers for many years before they become ill with AIDS-related symptoms. This means there is no reason to discriminate against persons who are HIV-positive. Both employees and employers stand to gain by knowing this. But it shouldn't blind anyone to the harm that HIV will eventually cause to businesses. With time, opportunistic infections and other conditions do arise, and workers become increasingly less able to work unless they have access to treatment.

In small and medium-sized enterprises and home-based businesses, the person with HIV/AIDS may be the key worker. Managers and staff with skills acquired through training and long experience are also vital, but the absence of any employee with special skills means less is produced and the business is less efficient. A small business finds it hard to stay afloat when one or more workers become ill. If it wants to survive, it has to face the added cost of recruiting and training new workers. In addition, businesses often face the bill either for the costs of medical care, disability, and death, or for insurance to cover them. HIV/AIDS increases the bill, whether it is paid by insurance, employers, or workers themselves.

*People deprived of freely chosen employment, barred from occupations to which they aspire, are victims of human rights violations; in addition the economy as a whole pays the cost through the underutilization of human resources and less productive job matches.*

<sup>1</sup> HIV/AIDS and work: global estimates, impact and response 2004. Geneva: ILO, 2004.

## ***The informal economy***

At least half of all workers in developing regions work in the informal economy. For example, it accounts for 70-80 per cent of all jobs in Ghana and nearly 90 per cent in India. A business in the informal economy usually relies on one or a few operators. When a worker becomes progressively sicker and dies, it is difficult for such small enterprises to stay in business. The individual worker is faced with no job security, no access to unemployment or health insurance, and may be unable to afford any medical bills. These conditions mean that the epidemic strikes very hard. The amount of lost income, lost jobs and extra costs due to HIV is huge even if hard to measure. But the loss to the young generations in skills and knowledge they never learn from the parents and mentors who should have raised them strikes even harder in the long run. In farming communities where many adults die, orphans and children who have not yet learned farming techniques are left in poverty and have to find work of any type to survive.

*Employment is fundamental to the fight against poverty and social exclusion...*

## ***Income and effective demand***

Like businesses, households see their incomes fall and costs of care rise as family members become ill and unable to work. When households are poor to begin with, conditions only worsen and the remaining family members barely survive.

There is a link between the fall in income in households and in businesses. When family providers become ill and households have less income, they cut down on expenses and spend less money. Many households also drastically shift what income they have to pay for care. As households reduce their expenditures, businesses lose clients. Businesses hold back from producing more, or produce less. In the end, less money and fewer goods and services circulate in the economy.

## ***Investment and competitiveness***

When businesses and households have lower incomes, they can save less and invest less. When businesses have fewer clients, households invest less in their own and other businesses. Also, because businesses are less efficient when they lose key workers, profits go down and costs go up, they appear less attractive to foreign investors, so investment goes down on all sides, and economic growth is slowed.

## ***Loss of jobs and limited job creation***

Fewer clients, falling investment, less production and slowed economic growth result in fewer jobs. As businesses cut back or fail, jobs are lost. To lower costs and survive, some businesses do not replace workers lost to AIDS. The real loss in jobs and the shift from a stable to a precarious job situation makes workers poorer, which again reduces the number of clients for the goods and services offered by businesses.

## ***The public sector***

When businesses make less and their profits go down, they pay fewer taxes. As a result, government has less revenue and has to cut back on public services just when they are most needed. In countries hard hit by HIV/AIDS the pressure on services mounts on all sides, especially as key public service employees become ill themselves and no longer able to work. Thus public services are being systematically weakened where and when more intense efforts are needed from them not only for health but also for education, and to address poverty and to prevent HIV/AIDS. But the responsibility of government services does not end there: the government is the largest employer in many countries affected by HIV/AIDS. As such, it should adopt a good HIV/AIDS workplace policy to meet the needs of staff (including treatment) and to serve as a model for other employers.

***The ILO Code of Practice on HIV/AIDS and the world of work*** guides policy to protect workers' rights, provide workplace programmes, and prevent HIV/AIDS. The Code of Practice has been translated into over 40 languages to date.

## Workers in high-risk situations

When there are fewer jobs, everybody hurts, but some workers are worse off than others. Young people without much training, women who are discriminated against, and migrants seeking new opportunities are most often worst off. They experience high unemployment, but, importantly, they are also exposed to a high risk of HIV.

Because these workers are disadvantaged and are especially exposed to the risk of HIV, every effort that is made to improve their access to decent jobs means that not only do they gain individually, but so does the cause of HIV prevention, which benefits all of society and the economy.

Whether young people aged 15 to 24 years are at school or at work depends on many things, including the availability of schools and different types of training, their interest in education, and society's need for skilled and for unskilled workers. These factors also make a difference to the existence of child labour, the average number of years children go to school, how many young people are not in school but looking for work, and how many are unemployed.

Moving successfully from school to a decent job gives young people their place in society. In reality, some young people drop out of school too early and discover that a good job is unavailable or beyond their reach. This leads to the frustration of personal hopes, but society also loses when young people drop out and give up.

When they must make money at any cost, young people will find work that is marginal, dangerous, or illegal. Some young people - orphans and children living on the street - are at very high risk of falling back on desperate behaviours to survive. The lack of a sense of purpose and hope stemming from the lack of decent jobs increases the likelihood they will fall back on HIV risk-taking behaviours linked to sex and/or drug and alcohol abuse.

Women – especially young women – carry the largest burden of the HIV/AIDS epidemic. Women have low social status because they are considered inferior legally, economically, socially and culturally, and that means they have a greater risk of HIV. Women everywhere are discriminated against when they seek jobs, are paid less than men, and more often have jobs with no security and no benefits. Girls are more often not educated or removed from school, especially when a family member becomes ill. When they are older, job opportunities are limited and they remain poor. They may lose a job when they have to be absent to care for sick household members. Poverty pushes girls and women to take risks for survival, such as marrying too young or marrying much older men, exchanging sex for food and gifts to make ends meet, or resorting fully to sex work.

Migrants are also at risk of HIV. Although migrant labour contributes a great deal to the economy, the rights of migrants are often ignored. They face hate and discrimination, and are often excluded from information and services. Highly abusive migration, such as human trafficking for sex work, places migrants at highest risk of HIV, as do certain types of contract and domestic labour. The poverty and marginalization of many migrants – especially young women – also exposes them to violence, stigma, and abusive sexual practices.

**The ILO is engaged. The organization addresses the employment impact of HIV/AIDS on six fronts:**

- Advocacy
- Technical cooperation
- Information
- Advisory services
- Education and training
- Research and policy analysis

[www.ilo.org/aids](http://www.ilo.org/aids)



Joint United Nations Programme on HIV/AIDS

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